

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	DOF Analyst/Phone:
Human Services Department	Michael Look / 5-1717	Becky Guerra / 4-5339

Legislation Title:

AN ORDINANCE relating to Seattle's 2009-2012 Consolidated Plan for Housing and Community Development; authorizing acceptance of grant funds from the United States Department of Housing and Urban Development for programs included in the City's Consolidated Plan for Housing and Community Development; increasing appropriations in the 2010 Budget for activities under the Community Development Block Grant Program and the Housing Opportunities for Persons with AIDS program, and decreasing appropriations for the Emergency Shelter Grant program and the HOME program; adding appropriations for the Neighborhood Stabilization Program; authorizing an amendment to an agreement with the State of Washington for funding to the City under the Neighborhood Stabilization Program; amending the 2010 Annual Allocation Plan component of the Consolidated Plan; reallocating unexpended funds from prior years; amending a provision of the Housing Policies in the Consolidated Plan; and ratifying and confirming prior acts, all by a three-fourths vote of the City Council.

- **Summary of the Legislation:**

This ordinance amends the 2010 Annual Allocation Plan component of the Consolidated Plan for Housing and Community Development ("2010 Plan"), to adjust estimated funding amounts in the 2010 Plan to match actual amounts to be received from the United States Department of Housing and Urban Development ("HUD") and to note minor allocation changes as negotiated with providers. The legislation also recognizes additional funding not expected when the 2010 Plan was developed in the fall of 2009, and identifies proposed uses for those funds.

- **Background:** *(Include brief description of the purpose and context of legislation and include record of previous legislation and funding history, if applicable):*

Each year the City submits to HUD a plan for the use of funds from four federal programs: 1) Community Development Block Grant; 2) HOME Investment Partnership; 3) Emergency Shelter Grant Program; and 4) Housing Opportunities for Persons with AIDS. This plan is submitted in November for expenditure commitments starting in January of the following year and is based on estimates of revenues to be received. In the spring of every year, HUD announces the actual revenues for each City in each program for that year. An amendment to the submitted plan is necessary to align planned expenditures to the actual revenues.

This amendment also brings forward unanticipated excess program income from 2009 as well as balances from prior years that are now available for reprogramming. Expenditure proposals are made for these funds as well. Additionally, the State Department of Commerce has awarded additional federal Neighborhood Stabilization Program (NSP-1) funds to alleviate problems created by home foreclosures. These NSP-1 funds are required to be reflected in the Consolidated Plan by HUD.

The amendment is also a vehicle HSD uses to modify program descriptions based on final contract negotiations with community agencies receiving these funds.

Attachment 1 to the proposed legislation is the revised 2010 Annual Allocation Plan, which is the vehicle used by the Consolidated Plan to inform HUD and the public about the specific uses of the Consolidated Plan funds. The majority of the surplus CDBG funds (\$450,000 out of \$500,000) will be used for economic development activities to help the South Park Business District and microenterprises throughout the City. NSP-1 funds are used to ensure that foreclosures do not result in neighborhood decline.

- Please check one of the following:

 This legislation does not have any financial implications. (Stop here and delete the remainder of this document prior to saving and printing.)

 X **This legislation has financial implications.** (Please complete all relevant sections that follow.)

Appropriations: This table should reflect appropriations that are a direct result of this legislation. In the event that the project/programs associated with this ordinance had, or will have, appropriations in other legislation, please provide details in the Notes section below.

Fund Name and Number	Department	Budget Control Level*	2010 Appropriation	2011 Anticipated Appropriation
CDBG Main Fund (17810)	Community Development Block Grant	Human Services Department (6HSD10)	\$50,000	
CDBG Main Fund (17810)	Community Development Block Grant	Office of Economic Development (6XD10)	\$450,000	
Low Income Housing Fund (16400)	Office of Housing	Low-Income Housing Fund 16400 (XZR1)	\$447,727	
Low Income Housing – HOME Programs (16490)	Office of Housing	Low-Income Housing Fund 16400 (XZR1)	-\$18,957	
Office of Housing Operating Fund (16600)	Office of Housing	Office of Housing Operating Fund 16600 (XZ600)	-\$2,107	
Human Services Operating Fund (16200)	Human Services Department	Emergency & Transitional Services (H30ET)	\$55,079	
TOTAL			\$981,742	

*See budget book to obtain the appropriate Budget Control Level for your department.

Notes:

The increase in appropriations in the CDBG Main Fund is a combination of an increased 2010 entitlement award from U.S. HUD and the authority to spend unanticipated program income generated during the 2009 program year.

Anticipated Revenue/Reimbursement: Resulting From This Legislation: *This table should reflect revenues/reimbursements that are a direct result of this legislation. In the event that the issues/projects associated with this ordinance/resolution have revenues or reimbursements that were, or will be, received because of previous or future legislation or budget actions, please provide details in the Notes section below the table.*

Fund Name and Number	Department	Revenue Source	2010 Revenue	2011 Revenue
CDBG Main Fund (17810)	Community Development Block Grant	U.S. HUD / CDBG Program	\$58,449	
CDBG Main Fund (17810)	Community Development Block Grant	2009 Program Income & recapture exceeded estimates	\$441,551	
Low Income Housing – HOME Programs (16490)	Office of Housing	U.S. HUD / HOME	-\$18,957	
Office of Housing Operating Fund (16600)	Office of Housing	U.S. HUD / HOME	-\$2,107	
Low Income Housing Fund (16400)	Office of Housing	U.S. HUD / WA State Dept. of Commerce / NSP-1	\$447,727	
Human Services Operating Fund (16200)	Human Services	U.S. HUD / ESG	-\$6,192	
Human Services Operating Fund (16200)	Human Services	U.S. HUD / HOPWA	\$61,271	
TOTAL			\$981,742	

Notes:

The \$441,551 in the second row reflects program income received in 2009 that was beyond the 2009 budgeted amount, and unspent balances from prior years. These unappropriated revenues will now be spent in 2010.

Total Regular Positions Created, Modified, Or Abrogated Through This Legislation, Including FTE Impact: None.

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- **Do positions sunset in the future?** n/a

Spending/Cash Flow: n/a

- **What is the financial cost of not implementing the legislation?** *(Estimate the costs to the City of not implementing the legislation, including estimated costs to maintain or expand an existing facility or the cost avoidance due to replacement of an existing facility, potential conflicts with regulatory requirements, or other potential costs if the legislation is not implemented.)*

The City will lose the ability to access \$58,000 of additional CDBG funds, \$447,000 of funds to address home foreclosure issues, and \$61,271 of HOPWA funds this year. Over \$400,000 of funds currently in the City's accounts will not be put to use. Current projects will remain in place, fully funded.

- **Does this legislation affect any departments besides the originating department?** • *If so, please list the affected department(s), the nature of the impact (financial, operational, etc.), and indicate which staff members in the other department(s) are aware of this Bill.*

Yes, other departments are Office of Housing and Office of Economic Development. Both of these departments are recipients of CDBG funds and OH is the recipient of HOME funds and NSP-1 funds. They have programs that are funded by these programs. Both departments are aware of this legislation and participated in the development of materials.

- **What are the possible alternatives to the legislation that could achieve the same or similar objectives?** *(Include any potential alternatives to the proposed legislation, such as reducing fee-supported activities, identifying outside funding sources for fee-supported activities, etc.)*

There is no other alternative for the City to undertake in order to access these funds. The substantial amendment is a HUD requirement for these funds.

- **Is the legislation subject to public hearing requirements:** *(If yes, what public hearings have been held to date, and/or what plans are in place to hold a public hearing(s) in the future.)*

Yes, a public hearing must be held in conjunction with a 30 day public comment period. The comment period began May 26, 2010 and will end June 25, 2010, prior to action by the full Council.

- **Other Issues** *(including long-term implications of the legislation):* n/a
 - **List attachments to the fiscal note below:** n/a